

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended December 31, 2003

	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewite Land Corporation	Alewite Boston, Ltd.	Five Alewite Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
Net sales to third parties	\$ -	\$ 479,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	1,788,694	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(3,021,074)	-	-	-	-	-	-	-	-
Other income	265,178	-	-	-	-	-	-	-	-
	(967,202)	479,999	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	220,984	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	(13,695)	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	95,484	-	-	-	-	-	-	8,847
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	7,883	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
	-	310,656	-	-	-	-	-	-	8,847
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(967,202)	169,343	-	-	-	-	-	-	(8,847)
Chapter 11 reorganization expenses, net (Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	302,361	(59,336)	-	-	-	-	-	-	3,096
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ (664,841)</b>	<b>\$ 110,007</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,751)</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

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	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern oil, Resin & Fiberglass, Inc.	Guanica- Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace Tarpon Investors, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	1,951	-	-	-	-	-	-	-	-	-
	1,951	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	14,063	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	14,063	-	-	-	-	-	-	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(12,112)	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net (Provision for) benefit from income taxes	4,239	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ (7,873)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.	W.R. Grace Land Corporation	G C Management, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net (Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities  
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	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net (Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

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	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.	Coalgrace II, Inc.	Gracoal II, Inc.	Gracoal, Inc.	Grace Drilling Company
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net (loss) income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
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Month Ended December 31, 2003

	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	COMBINED FILING ENTITIES
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,099,019
Net sales to non-filing entities	-	-	-	-	-	-	20,504,428
Net sales to filing entities	-	-	-	-	(140,298)	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	10,961,878
Interest and royalties from filing entities, net	-	-	-	-	(2,926,388)	-	-
Other income	-	-	-	-	-	-	3,608,903
	-	-	-	-	(3,066,686)	-	100,174,228
Cost of goods sold to third parties	-	-	-	-	-	-	43,601,270
Cost of goods sold to non-filing entities	-	-	-	-	-	-	19,021,432
Cost of goods sold to filing entities	-	-	-	-	(148,119)	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	117,920,159
Research and development expenses	-	-	-	-	-	-	3,302,353
Depreciation and amortization	-	-	-	-	-	-	5,271,326
Interest expense	-	-	-	-	-	-	291,037
	-	-	-	-	(148,119)	-	189,407,577
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	(2,918,567)	-	(89,233,349)
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	(909,519)
(Provision for) benefit from income taxes	-	-	-	-	-	-	31,458,876
Minority interest in income of subsidiary	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	8,416,583	8,416,583
<b>Net (loss) income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,918,567)</b>	<b>\$ 8,416,583</b>	<b>\$ (50,267,409)</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Balance Sheet  
MOR - 3  
December 31, 2003

	W.R. Grace & Co. - Conn	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	OC Partners	Grace Washington, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 120,190,684	\$ -	\$ (318,502)	\$ -	\$ -	\$ -
Accounts and other receivables, net	102,480,220	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	333,173,052	(419,635,257)	(5,757,820)	12,885,265	(37,739,222)	(9,711,712)
Inventories	80,996,369	-	-	-	-	-
Deferred income taxes	75,682,972	-	13,188,427	-	-	-
Other current assets	21,911,132	-	-	-	-	-
<b>Total Current Assets</b>	<b>734,434,428</b>	<b>(419,635,257)</b>	<b>7,112,104</b>	<b>12,885,265</b>	<b>(37,739,222)</b>	<b>(9,711,712)</b>
Properties and equipment, net	381,113,394	-	457,655	-	-	-
Goodwill	14,499,090	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	90,801,414	-	-	-	-	-
Deferred income taxes	691,141,334	-	30,976,884	-	-	-
Asbestos-related insurance receivable	269,395,809	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(1,243,860,020)	850,049,357	129,607,458	4,821,523	208,363,351	-
Investment in filing and non-filing entities	780,078,847	241,512,111	-	-	-	-
Other assets	77,323,802	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,794,928,098</b>	<b>\$ 671,926,211</b>	<b>\$ 168,154,101</b>	<b>\$ 17,706,788</b>	<b>\$ 170,624,130</b>	<b>\$ (9,711,712)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	38,041,998	-	6,656	-	-	-
Income taxes payable	(0)	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	66,736,270	-	488,635	-	-	1,056
<b>Total Current Liabilities</b>	<b>104,778,268</b>	<b>-</b>	<b>495,291</b>	<b>-</b>	<b>-</b>	<b>1,056</b>
Debt payable after one year	(438,134)	-	-	-	-	-
Deferred income taxes	143,440,845	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	174,560,763	0	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	<b>422,341,742</b>	<b>0</b>	<b>495,291</b>	<b>-</b>	<b>-</b>	<b>1,056</b>
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	550,256,798	-	-	-	-	-
Accounts payable	31,108,401	-	665,607	-	-	-
Income taxes payable	175,203,670	17,125,384	501,771	72,308	3,546,881	(4,488)
Asbestos-related liability	992,315,238	-	-	-	-	-
Other liabilities	501,753,047	188,091	125,699,848	-	32,094,183	-
<b>Total Liabilities Subject to Compromise</b>	<b>2,250,637,154</b>	<b>17,313,475</b>	<b>126,867,225</b>	<b>72,308</b>	<b>35,641,064</b>	<b>(4,488)</b>
<b>Total Liabilities</b>	<b>2,672,978,895</b>	<b>17,313,475</b>	<b>127,362,517</b>	<b>72,308</b>	<b>35,641,064</b>	<b>(3,432)</b>
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	83,968,960	769,956	12,223	1,000	-	1,000
Paid in capital	142,809,878	428,448,120	9,724,449	34,052,467	56,011,577	-
(Accumulated deficit)/Retained earnings	(780,106,367)	361,297,279	31,054,913	(16,418,986)	78,971,489	(9,709,280)
Treasury stock, at cost	-	(135,902,719)	-	-	-	-
Accumulated other comprehensive loss	(324,723,268)	100	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	<b>(878,050,798)</b>	<b>654,612,736</b>	<b>40,791,585</b>	<b>17,634,481</b>	<b>134,983,066</b>	<b>(9,708,280)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 1,794,928,098</b>	<b>\$ 671,926,211</b>	<b>\$ 168,154,101</b>	<b>\$ 17,706,788</b>	<b>\$ 170,624,130</b>	<b>\$ (9,711,712)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

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December 31, 2003

	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewile Land Corporation
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 648,323	\$ -
Accounts and other receivables, net	-	89,721	-	-	3,021,706	-
Receivables from/(payables to) filing and non-filing entities, net	(386,938,310)	5,664,244	140,524,854	(84,749,767)	(6,073)	(4,018,988)
Inventories	-	(0)	-	-	212,414	-
Deferred income taxes	-	85,317	-	-	13,169	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(386,938,310)	5,839,282	140,524,854	(84,749,767)	3,889,539	(4,018,988)
Properties and equipment, net	-	-	-	-	733,835	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	38,161	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	466,338,500	(3,278,395)	-	85,948,716	-	-
Investment in filing and non-filing entities	-	-	-	58,669,464	-	-
Other assets	-	54,000	-	-	250,810	-
<b>Total Assets</b>	<b>\$ 79,400,190</b>	<b>\$ 2,653,048</b>	<b>\$ 140,524,854</b>	<b>\$ 59,868,413</b>	<b>\$ 4,874,184</b>	<b>\$ (4,018,988)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	24,120	-	23,688	255,101	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	353,982	-	-	51,777	-
<b>Total Current Liabilities</b>	-	378,102	-	23,688	306,878	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	0	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	378,102	-	23,688	306,878	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	133,907	-
Income taxes payable	10,932,032	(922,441)	(150)	(4,107,923)	1,734,252	(175)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	243,763	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	10,932,032	(678,679)	(150)	(4,107,923)	1,868,159	(175)
<b>Total Liabilities</b>	10,932,032	(300,576)	(150)	(4,084,235)	2,175,038	(175)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	112	-	-	-	-	-
Common Stock	1,000	1,000	-	1,000	1,000	200
Paid in capital	(29,267,410)	-	25,358,993	51,937,489	-	274,606
(Accumulated deficit)/Retained earnings	97,734,456	(438,668)	115,166,011	(40,537,596)	2,698,146	(4,293,619)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	3,391,292	-	52,551,755	-	-
<b>Total Shareholders' Equity (Deficit)</b>	68,468,158	2,953,624	140,525,004	63,952,648	2,699,146	(4,018,813)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 79,400,190</b>	<b>\$ 2,653,048</b>	<b>\$ 140,524,854</b>	<b>\$ 59,868,413</b>	<b>\$ 4,874,184</b>	<b>\$ (4,018,988)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.



W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Balance Sheet  
MOR - 3  
December 31, 2003

	Alewite Boston Ltd.	Five Alewife Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(2,143,580)	-	(57,817,172)	(110)	(330)	(16,503)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(2,143,580)	-	(57,817,172)	(110)	(330)	(16,503)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	34,053,467	54,500,000	54,500,000	56,011,577
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (2,143,580)</b>	<b>\$ -</b>	<b>\$ (23,763,706)</b>	<b>\$ 54,499,890</b>	<b>\$ 54,499,670</b>	<b>\$ 55,995,074</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(210)	-	-	(110)	(330)	(3,912)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(210)	-	-	(110)	(330)	(3,912)
<b>Total Liabilities</b>	(210)	-	-	(110)	(330)	(3,912)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	931,540	1	130	130
Paid in capital	-	-	9,408,460	54,499,999	54,499,870	54,499,870
(Accumulated deficit)/Retained earnings	(2,143,370)	-	(34,103,706)	-	-	1,498,986
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(2,143,370)	-	(23,763,706)	54,500,000	54,500,000	55,998,986
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ (2,143,580)</b>	<b>\$ -</b>	<b>\$ (23,763,706)</b>	<b>\$ 54,499,890</b>	<b>\$ 54,499,670</b>	<b>\$ 55,995,074</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities  
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	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern Oil, Resin & Fiberglass, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 17,363	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(10,483)	(26,614,022)	57,347,191	(7,283,826)	-	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	6,437	-	-	-	-	-
<b>Total Current Assets</b>	13,317	(26,614,022)	57,347,191	(7,283,826)	-	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	1,630,940	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,644,257</b>	<b>\$ (26,614,022)</b>	<b>\$ 57,347,191</b>	<b>\$ (7,283,826)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	551,649	5,000	-	-	-	-
<b>Total Current Liabilities</b>	551,649	5,000	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	551,649	5,000	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(4,254)	(195)	10,346,794	(230)	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(4,254)	(195)	10,346,794	(230)	-	-
<b>Total Liabilities</b>	547,395	4,805	10,346,794	(230)	-	-
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	-	5,150	-	-
Paid in capital	1,104,954	859,233	3,671,658	5,144,850	-	-
(Accumulated deficit)/Retained earnings	(8,092)	(27,478,060)	43,427,950	(12,433,596)	-	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	(99,212)	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	1,096,862	(26,618,827)	47,000,396	(7,283,596)	-	-
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 1,644,257</b>	<b>\$ (26,614,022)</b>	<b>\$ 57,347,191</b>	<b>\$ (7,283,826)</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Balance Sheet  
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	Quance-Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace Tarpon Investors, Inc.	G.C. Limited Partners I, Inc.	Monolith Enterprises, Incorporated
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	5,824,284	(102,989)	(1,119,103)	10,284,124	330	(2,417,714)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	5,824,284	(101,989)	(1,119,103)	10,284,124	330	(2,417,714)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	94,022	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 5,824,284</b>	<b>\$ (7,968)</b>	<b>\$ (1,119,103)</b>	<b>\$ 10,284,124</b>	<b>\$ 330</b>	<b>\$ (2,417,714)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	3	-	-
<b>Total Current Liabilities</b>	-	-	-	3	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	3	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(110)	-	(110)	(560)	(560)	(450)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(110)	-	(110)	(560)	(560)	(450)
<b>Total Liabilities</b>	(110)	-	(110)	(557)	(560)	(450)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	2,000	29,000	1,000	1,000	26,000
Paid in capital	5,823,446	-	-	3,136,087	-	9,988,414
(Accumulated deficit)/Retained earnings	(52)	(9,966)	(1,147,993)	7,147,595	(110)	(12,431,678)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	5,824,394	(7,966)	(1,118,993)	10,284,682	890	(2,417,264)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 5,824,284</b>	<b>\$ (7,968)</b>	<b>\$ (1,119,103)</b>	<b>\$ 10,284,124</b>	<b>\$ 330</b>	<b>\$ (2,417,714)</b>

**Note #3**

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**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
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**December 31, 2003**

	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>(26,312,455)</b>	<b>(5,132,933)</b>	<b>(3,350,634)</b>	<b>(2,509,849)</b>	<b>840</b>	<b>(1,230,613)</b>
Properties and equipment, net	-	-	-	-	-	1,184,871
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (26,312,455)</b>	<b>\$ (5,132,933)</b>	<b>\$ (3,350,634)</b>	<b>\$ (2,509,849)</b>	<b>\$ 840</b>	<b>\$ (45,742)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	(818)	(110)	(210)	(110)	(30)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	<b>-</b>	<b>(818)</b>	<b>(110)</b>	<b>(210)</b>	<b>(110)</b>	<b>(30)</b>
<b>Total Liabilities</b>	<b>-</b>	<b>(818)</b>	<b>(110)</b>	<b>(210)</b>	<b>(110)</b>	<b>(30)</b>
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	1,000	1,000	1,000	50
Paid in capital	-	-	-	-	-	50
(Accumulated deficit)/Retained earnings	(26,312,455)	(5,132,115)	(3,351,524)	(2,510,639)	(50)	(45,812)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	<b>(26,312,455)</b>	<b>(5,132,115)</b>	<b>(3,350,524)</b>	<b>(2,509,639)</b>	<b>950</b>	<b>(45,712)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ (26,312,455)</b>	<b>\$ (5,132,933)</b>	<b>\$ (3,350,634)</b>	<b>\$ (2,509,849)</b>	<b>\$ 840</b>	<b>\$ (45,742)</b>

**Note #3**

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W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Balance Sheet  
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December 31, 2003

	W.R. Grace Land Corporation	G.C. Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Groesbeek New Communities Company, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	36,708,324	-	(73,061)	(12,559,518)	173,455	(19,464,242)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	36,708,324	-	(73,061)	(12,559,518)	173,455	(19,463,742)
Properties and equipment, net	-	-	-	-	438,445	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	6,284,806	-	-	-	-	-
Other assets	-	-	-	-	-	4,066
<b>Total Assets</b>	<b>\$ 42,993,130</b>	<b>\$ -</b>	<b>\$ (73,061)</b>	<b>\$ (12,559,518)</b>	<b>\$ 611,900</b>	<b>\$ (19,459,676)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	4,066
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	199	-
<b>Total Current Liabilities</b>	-	-	-	-	199	4,066
Debt payable after one year	-	-	-	-	438,134	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	438,333	4,066
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(812)	-	(110)	(265)	(750)	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(812)	-	(110)	(265)	(750)	-
<b>Total Liabilities</b>	(812)	-	(110)	(265)	437,583	4,066
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	5,000	-	1,000	85,539	1,000	5,000
Paid in capital	19,577,160	-	-	6,541,055	4,000	6,000,000
(Accumulated deficit)/Retained earnings	23,411,782	-	(73,951)	(19,185,847)	169,317	(25,468,742)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	42,993,942	-	(72,951)	(12,559,253)	174,317	(19,463,742)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 42,993,130</b>	<b>\$ -</b>	<b>\$ (73,061)</b>	<b>\$ (12,559,518)</b>	<b>\$ 611,900</b>	<b>\$ (19,459,676)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

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December 31, 2003

	Creative Food N Furn. Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	23,479,087	6,345,361	810,265	(59,581,612)	(185)	(86,721)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>23,479,087</b>	<b>6,345,361</b>	<b>810,265</b>	<b>(59,581,612)</b>	<b>(185)</b>	<b>(86,721)</b>
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 23,479,087</b>	<b>\$ 6,345,361</b>	<b>\$ 810,265</b>	<b>\$ (59,581,612)</b>	<b>\$ (185)</b>	<b>\$ (86,721)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(1,062)	(300)	(335)	(380)	(185)	(110)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	<b>(1,062)</b>	<b>(300)</b>	<b>(335)</b>	<b>(380)</b>	<b>(185)</b>	<b>(110)</b>
<b>Total Liabilities</b>	<b>(1,062)</b>	<b>(300)</b>	<b>(335)</b>	<b>(380)</b>	<b>(185)</b>	<b>(110)</b>
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,090,000	1,000	1,000	303,000	-	-
Paid in capital	33,631,999	18,090,032	-	37,765,000	-	1,900,000
(Accumulated deficit)/Retained earnings	(11,241,851)	(11,745,371)	809,600	(97,649,232)	-	(1,986,611)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	<b>23,480,148</b>	<b>6,345,661</b>	<b>810,600</b>	<b>(59,581,232)</b>	<b>-</b>	<b>(86,611)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 23,479,087</b>	<b>\$ 6,345,361</b>	<b>\$ 810,265</b>	<b>\$ (59,581,612)</b>	<b>\$ (185)</b>	<b>\$ (86,721)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Balance Sheet  
MOR - 3  
December 31, 2003

	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	352,712,699	4,389,612	(15,750,664)	5,296,864	875,359	(5,289)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	352,712,699	4,389,612	(15,750,664)	5,296,864	875,359	(5,289)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(35,903,123)	(14,135,725)	-	-	-	-
Investment in filing and non-filing entities	187,272,210	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 504,081,786</b>	<b>\$ (9,746,113)</b>	<b>\$ (15,750,664)</b>	<b>\$ 5,296,864</b>	<b>\$ 875,359</b>	<b>\$ (5,289)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(119)	(110)	-	(335)	(310)	(235)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(119)	(110)	-	(335)	(310)	(235)
<b>Total Liabilities</b>	(119)	(110)	-	(335)	(310)	(235)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	(114,960)	100	1,000	1,000
Paid in capital	451,425,156	(2,089,027)	34,215,000	-	-	-
(Accumulated deficit)/Retained earnings	52,655,749	(7,657,976)	(49,850,704)	5,297,099	874,669	(6,054)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	504,081,905	(9,746,003)	(15,750,664)	5,297,199	875,669	(5,054)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 504,081,786</b>	<b>\$ (9,746,113)</b>	<b>\$ (15,750,664)</b>	<b>\$ 5,296,864</b>	<b>\$ 875,359</b>	<b>\$ (5,289)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Balance Sheet  
MOR - 3  
December 31, 2003

	Coalgrace II, Inc.	Gracetal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	108,105	130,215,583	145,239,206	(81,115,113)	47,407,796	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	108,105	130,215,583	145,239,206	(81,115,113)	47,407,796	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 108,105</b>	<b>\$ 130,215,583</b>	<b>\$ 145,239,206</b>	<b>\$ (81,115,113)</b>	<b>\$ 47,407,796</b>	<b>\$ -</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	27,277,846	27,277,846	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	27,277,846	27,277,846	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(335)	1,749,665	1,749,790	(480)	(110)	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(335)	1,749,665	1,749,790	(480)	(110)	-
<b>Total Liabilities</b>	(335)	29,027,511	29,027,636	(480)	(110)	-
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	100	124,473	1,000	-
Paid in capital	-	30,293,750	13,880,108	51,173,713	7,308,934	-
(Accumulated deficit)/Retained earnings	107,440	70,893,322	102,331,362	(132,412,819)	40,097,972	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	108,440	101,188,072	116,211,570	(81,114,633)	47,407,906	-
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 108,105</b>	<b>\$ 130,215,583</b>	<b>\$ 145,239,206</b>	<b>\$ (81,115,113)</b>	<b>\$ 47,407,796</b>	<b>\$ -</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.



W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Balance Sheet  
MOR - 3  
December 31, 2003

	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	Reporting Reclasses	COMBINED FILING ENTITIES
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,539,367
Accounts and other receivables, net	-	-	-	-	-	105,591,647
Receivables from/(payables to) filing and non-filing entities, net	-	-	-	-	-	46,210,031
Inventories	-	-	-	-	-	81,208,783
Deferred income taxes	-	-	-	-	(6,307,271)	82,662,614
Other current assets	-	-	-	-	-	21,917,569
<b>Total Current Assets</b>	-	-	-	-	(6,307,271)	458,130,010
Properties and equipment, net	-	-	-	-	-	383,928,199
Goodwill	-	-	-	-	-	14,499,090
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	90,801,414
Deferred income taxes	-	-	-	-	(197,996,537)	524,159,841
Asbestos-related insurance receivable	-	-	-	-	-	269,395,809
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	447,951,644
Investment in filing and non-filing entities	-	-	(1,316,202,717)	125,035,722	2,000,000	283,809,507
Other assets	-	-	(1,101,282)	-	-	78,162,336
<b>Total Assets</b>	\$ -	\$ -	\$ (1,317,303,999)	\$ 125,035,722	\$ (202,303,808)	\$ 2,550,837,652
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0
Accounts payable	-	-	-	-	-	38,355,630
Income taxes payable	-	-	-	-	5,000,000	5,000,000
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	(17,007,271)	51,181,300
<b>Total Current Liabilities</b>	-	-	-	-	(12,007,271)	94,536,930
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	(197,996,537)	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	174,560,763
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	(210,003,808)	269,097,692
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	550,256,798
Accounts payable	-	-	-	-	-	31,907,915
Income taxes payable	-	-	-	-	-	217,908,719
Asbestos-related liability	-	-	-	-	-	992,315,238
Other liabilities	-	-	(100,000)	-	-	659,878,931
<b>Total Liabilities Subject to Compromise</b>	-	-	(100,000)	-	-	2,452,267,601
<b>Total Liabilities</b>	-	-	(100,000)	-	(210,003,808)	2,721,365,293
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	112
Common Stock	-	-	(86,493,960)	-	-	772,632
Paid in capital	-	-	(1,199,570,000)	-	-	432,133,937
(Accumulated deficit)/Retained earnings	-	-	(31,140,039)	171,555,425	2,000,000	(157,832,368)
Treasury stock, at cost	-	-	-	-	-	(135,902,719)
Accumulated other comprehensive loss	-	-	-	(46,519,703)	5,700,000	(309,699,036)
<b>Total Shareholders' Equity (Deficit)</b>	-	-	(1,317,203,999)	125,035,722	7,700,000	(170,527,441)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	\$ -	\$ -	\$ (1,317,303,999)	\$ 125,035,722	\$ (202,303,808)	\$ 2,550,837,652

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 5

**W. R. Grace & Co. - Conn**  
**Status of Postpetition Taxes**  
**MOR-4**  
**December 31, 2003**

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
<b>Federal</b>				
Withholding	\$ -	\$ 2,922,612	\$ (2,910,497)	\$ 12,115
FICA - Employee	3,249	1,018,939	(1,016,294)	5,894
FICA and payroll- Employer	(649,006)	1,018,988	(367,420)	2,562
Unemployment	-	5,323	(5,323)	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	\$ (645,757)	\$ 4,965,862	\$ (4,299,534)	\$ 20,571
<b>State and Local</b>				
Withholding	\$ (272)	\$ 897,445	\$ (897,341)	\$ (168)
Sales & Use	1,081,452	324,128	(289,055)	1,116,525
Property Taxes	1,980,777	565,164	(170,882)	2,375,059
Other	-	-	-	-
<b>Total State and Local</b>	\$ 3,061,957	\$ 1,786,737	\$ (1,357,278)	\$ 3,491,416
<b>Total Taxes</b>	\$ 2,416,200	\$ 6,752,599	\$ (5,656,812)	\$ 3,511,987

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

Remedium Group, Inc. Status of Postpetition Taxes MOR-4 December 31, 2003				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
<b>Federal</b>				
Withholding	\$ -	\$ 18,249	\$ (18,249)	\$ -
FICA - Employee	-	2,333	(2,333)	-
FICA and payroll- Employer	-	2,333	(2,333)	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	\$ -	\$ 22,915	\$ (22,915)	\$ -
<b>State and Local</b>				
Withholding	\$ -	\$ 597	\$ (597)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	\$ -	\$ 597	\$ (597)	\$ -
<b>Total Taxes</b>	\$ -	\$ 23,512	\$ (23,512)	\$ -

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

**Grace Washington, Inc.**  
**Status of Postpetition Taxes**  
**MOR-4**  
**December 31, 2003**

	<b>Beginning Tax Liability</b>	<b>Amount Withheld or Accrued</b>	<b>Amount Paid</b>	<b>Ending Tax Liability</b>
<b>Federal</b>				
Withholding	\$ -	\$ 12,470	\$ (12,470)	\$ -
FICA - Employee	-	601	(601)	-
FICA and payroll- Employer	-	601	(601)	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	\$ -	\$ 13,672	\$ (13,672)	\$ -
<b>State and Local</b>				
Withholding	\$ -	\$ 2,335	\$ (2,335)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	\$ -	\$ 2,335	\$ (2,335)	\$ -
<b>Total Taxes</b>	\$ -	\$ 16,007	\$ (16,007)	\$ -

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

<b>L B Realty, Inc.</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>December 31, 2003</b>				
	<b>Beginning Tax Liability</b>	<b>Amount Withheld or Accrued</b>	<b>Amount Paid</b>	<b>Ending Tax Liability</b>
<b>Federal</b>				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	-	-	-	-
FICA and payroll- Employer	-	-	-	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>State and Local</b>				
Withholding	\$ -	\$ -	\$ -	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Taxes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

<b>Darex Puerto Rico, Inc.</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>December 31, 2003</b>				
	<b>Beginning Tax Liability</b>	<b>Amount Withheld or Accrued</b>	<b>Amount Paid</b>	<b>Ending Tax Liability</b>
<b>Federal</b>				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	(294)	1,056	(1,056)	(294)
FICA and payroll- Employer	6,931	1,056	(7,987)	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	<b>\$ 6,637</b>	<b>\$ 2,112</b>	<b>\$ (9,043)</b>	<b>\$ (294)</b>
<b>State and Local</b>				
Withholding	\$ 7	\$ 1,762	\$ (1,762)	\$ 7
Sales & Use	-	-	-	-
Property Taxes	283,647	4,064	-	287,711
Other	-	-	-	-
<b>Total State and Local</b>	<b>\$ 283,654</b>	<b>\$ 5,826</b>	<b>\$ (1,762)</b>	<b>\$ 287,718</b>
<b>Total Taxes</b>	<b>\$ 290,291</b>	<b>\$ 7,938</b>	<b>\$ (10,805)</b>	<b>\$ 287,424</b>

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 6

**W. R. Grace & Co. - Conn**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**December 2003**

<b>Trade Accounts Receivable Reconciliation</b>	
Trade accounts receivable, beginning of month, gross	\$ 102,429,714
Amounts billed during the period	64,619,020
Amounts collected during the period	(75,384,775)
Other	4,942,918
Trade accounts receivable at the end of month, gross	\$ 96,606,877
<b>Trade Accounts Receivable Aging</b>	
Current	\$ 68,860,985
1-30 days past due	18,598,009
31-60 days past due	6,737,889
+61 days past due	2,409,994
Trade accounts receivable, gross	96,606,877
Allowance for doubtful accounts	(841,500)
Trade accounts receivable, net	\$ 95,765,377
<b>Notes and Accounts Receivable Reconciliation</b>	
Trade accounts receivable, net	\$ 95,765,377
Customer notes and drafts receivable	876,789
Pending customer credit notes	(52,618)
Advances and deposits	4,453,520
Nontrade receivables, net	1,437,152
Total notes and accounts receivable, net	\$ 102,480,220

Chart 6

Remedium Group, Inc. Accounts Receivable Reconciliation and Aging MOR-5 December 2003	
<b>Trade Accounts Receivable Reconciliation</b>	
Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -
<b>Trade Accounts Receivable Aging</b>	
Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -
<b>Notes and Accounts Receivable Reconciliation</b>	
Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	-
Total notes and accounts receivable, net	\$ -



Chart 6

**Darex Puerto Rico, Inc.**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**December 2003**

**Trade Accounts Receivable Reconciliation**

Trade accounts receivable, beginning of month, gross	\$ 2,943,169
Amounts billed during the period	479,999
Amounts collected during the period	(429,554)
Other	62,570
Trade accounts receivable at the end of month, gross	\$ 3,056,184

**Trade Accounts Receivable Aging**

Current	\$ 1,571,784
1-30 days past due	717,670
31-60 days past due	494,442
+61 days past due	272,288
Trade accounts receivable, gross	3,056,184
Allowance for doubtful accounts	(37,625)
Trade accounts receivable, net	\$ 3,018,559

**Notes and Accounts Receivable Reconciliation**

Trade accounts receivable, net	\$ 3,018,559
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	3,147
Total notes and accounts receivable, net	\$ 3,021,706

Chart 6

Grace Europe, Inc.  
Accounts Receivable Reconciliation and Aging  
MOR-5  
December 2003

**Trade Accounts Receivable Reconciliation**

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

**Trade Accounts Receivable Aging**

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

**Notes and Accounts Receivable Reconciliation**

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	89,721
Total notes and accounts receivable, net	\$ 89,721

Chart 7

W.R. Grace & Co., et al  
Debtor Questionnaire  
MOR - 5  
December 2003

	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account for this reporting period? If yes, provide an explanation below.		See Note #5 below
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in affect? If no, provide an explanation below.	X	
5. Are post-petition accounts payable and tax obligations current and paid to date? If no, provide an explanation.	X (unless disputed in normal course of business)	

**Note #5**

As part of the first day orders submitted to the court on April 2, 2001, an application for the Debtors to (a) continue and maintain their consolidated cash management system, (b) continue and maintain their existing bank accounts and (c) continue to use existing business forms and granting related relief was included. The Debtors have continued to use their existing bank accounts and no new debtor in possession accounts have been established.

List assets sold/transferred outside the normal course of business over \$25,000:		
Description of Asset	Sale Date	Proceeds

## **Combined Chapter 11 Filing Entity Statements**

Chart 8

**W. R. Grace & Co. - Chapter 11 Filing Entities**  
**Combined Statement of Operations**

<i>Amounts in millions</i>	<b>Month Ended December 31,</b>		<b>Twelve Months Ended December 31,</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
Net sales to third parties	\$ 65.1	\$ 65.0	\$ 833.8	\$ 849.0
Net sales to non-filing entities	20.5	8.9	198.1	130.4
Interest and royalties from non-filing entities	11.0	13.8	53.6	45.5
Other income	3.6	0.4	12.7	15.7
	<b>100.2</b>	<b>88.1</b>	<b>1,098.2</b>	<b>1,040.6</b>
Cost of goods sold to third parties	43.6	43.9	557.3	532.0
Cost of goods sold to non-filing entities	19.0	6.8	157.5	94.6
Selling, general and administrative expenses	13.8	15.4	217.8	214.0
Depreciation and amortization	5.3	4.6	61.1	60.6
Research and development expenses	3.3	2.4	38.0	41.4
Net Pension expense	4.0	2.8	47.6	22.6
Interest expense	0.3	1.6	15.3	19.5
Provision for asbestos related claims	30.0	-	30.0	-
Provision for environmental remediation	70.0	51.5	122.5	70.7
	<b>189.3</b>	<b>129.0</b>	<b>1,247.1</b>	<b>1,055.4</b>
Income (loss) before Chapter 11 expenses, income taxes and equity in net income of non-filing entities	(89.1)	(40.9)	(148.9)	(14.8)
Chapter 11 expenses, net	(0.9)	1.2	(14.8)	(30.1)
Provision for income taxes	31.5	11.7	38.4	(3.3)
Equity in net income of non-filing entities	8.2	(1.9)	83.1	70.3
<b>Net income</b>	<b>\$ (50.3)</b>	<b>\$ (29.9)</b>	<b>\$ (42.2)</b>	<b>\$ 22.1</b>

The Notes to Combined Financial Statements are an integral part of these statements.

**W. R. Grace & Co. - Chapter 11 Filing Entities**  
**Combined Functional Basis Statement of Cash Flows**

<b>Amounts in millions</b>	<b>Month Ended December 31, 2003</b>	<b>Twelve Months Ended December 31, 2003</b>
<b>Core operations cash flow</b>		
Pre-tax income from core operations	\$ 8.3	\$ 36.4
Depreciation and amortization	5.3	61.1
	13.6	97.5
Contributions to defined benefit pension plans	-	(48.5)
Cash received from Non-Filing entity operating loans	-	83.4
Cash received from Non-Filing entity investment	14.6	38.6
Changes in all core assets/liabilities and other	3.7	3.6
	31.9	174.6
Capital expenditures	(6.8)	(57.2)
<b>Core Pre-tax Operating Cash Flow</b>	<b>25.1</b>	<b>117.4</b>
<b>Charges against core reserves</b>		
Pension liabilities	(0.3)	(4.3)
Deferred compensation	(0.2)	(0.9)
Self insurance	-	(1.2)
<b>Total Spending Against Core Reserves</b>	<b>(0.5)</b>	<b>(6.4)</b>
<b>Core Cash Flow</b>	<b>24.6</b>	<b>111.0</b>
<b>Noncore cash flow</b>		
Proceeds from asset sales	-	3.5
Benefit proceeds under life insurance policies	0.2	11.9
Other noncore pretax cash flow	(0.1)	(4.7)
<b>Noncore Pre-tax Cash Flow</b>	<b>0.1</b>	<b>10.7</b>
<b>Charges against noncore reserves</b>		
Asbestos		
Asbestos claims processing	(1.1)	(10.4)
Less - insurance recovery	-	13.2
Net asbestos (payments)	(1.1)	2.8
Environmental remediation	(0.5)	(11.1)
Retained obligations and other	0.3	(1.4)
Postretirement benefits	(0.7)	(12.6)
<b>Total Spending Against Noncore Reserves</b>	<b>(2.0)</b>	<b>(22.3)</b>
<b>Noncore Cash Flow</b>	<b>(1.9)</b>	<b>(11.6)</b>
<b>Total Pre-tax/Pre-interest/Pre-Chapter 11 Cash Flow</b>	<b>22.7</b>	<b>99.4</b>
Cash paid for taxes, net of refunds	(0.1)	3.2
Cash paid for interest	1.1	(2.8)
Chapter 11 expenses paid	(1.2)	(17.5)
<b>Cash Flow before Strategic Investments</b>	<b>22.5</b>	<b>82.3</b>
<b>Strategic Investments</b>		
Cash paid for businesses acquired	-	-
<b>Cash used for Strategic Investments</b>	<b>-</b>	<b>-</b>
<b>Cash Flow after Strategic Investments</b>	<b>22.5</b>	<b>82.3</b>
Borrowings (repayments) under the DIP facility, net of fees	(0.2)	(3.9)
Net (investing)/financing activities under life insurance policies	(0.2)	(14.7)
<b>Net Cash Flow</b>	<b>\$ 22.1</b>	<b>\$ 63.7</b>

The Notes to Combined Financial Statements are an integral part of these statements.

Chart 10

## W. R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combined Balance Sheet

Amounts in millions	December 31, 2003	December 31, 2002	April 2, 2001
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 120.5	\$ 56.8	\$ 8.6
Accounts and other receivables, net	105.6	114.7	43.8
Receivables from non-filing entities, net	46.2	43.4	51.2
Inventories	81.2	70.5	80.6
Deferred income taxes	82.7	22.2	80.9
Asbestos-related insurance expected to be realized within one year	-	-	17.0
Other current assets	21.9	30.8	21.9
<b>Total Current Assets</b>	<b>458.1</b>	<b>338.4</b>	<b>304.0</b>
Properties and equipment, net	383.9	389.7	400.4
Goodwill	14.5	14.5	13.6
Cash value of life insurance policies, net of policy loans	90.8	82.4	64.1
Deferred income taxes	524.2	567.0	401.0
Asbestos-related insurance expected to be realized after one year	269.4	282.6	323.4
Loans receivable from non-filing entities, net	448.0	444.4	387.5
Investment in non-filing entities	283.8	244.7	121.0
Other assets	78.2	77.7	308.5
<b>Total Assets</b>	<b>\$ 2,550.9</b>	<b>\$ 2,441.4</b>	<b>\$ 2,323.5</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>			
<b>Liabilities Not Subject to Compromise</b>			
<b>Current Liabilities</b>			
Debt payable within one year	\$ -	-	-
Accounts payable	38.3	41.4	-
Income Taxes Payable	5.0	5.0	-
Other current liabilities	51.3	52.9	-
<b>Total Current Liabilities</b>	<b>94.6</b>	<b>99.3</b>	<b>-</b>
Debt payable after one year	-	-	-
Other liabilities	174.5	229.6	31.8
<b>Total Liabilities Not Subject to Compromise</b>	<b>269.1</b>	<b>328.9</b>	<b>31.8</b>
<b>Liabilities Subject to Compromise</b>			
Debt, pre-petition plus accrued interest	550.3	538.8	511.5
Accounts payable	31.9	32.4	43.0
Income taxes payable	217.9	227.8	210.1
Asbestos-related liability	992.3	973.2	1,002.8
Other liabilities	660.0	562.5	598.6
<b>Total Liabilities Subject to Compromise</b>	<b>2,452.4</b>	<b>2,334.7</b>	<b>2,366.0</b>
<b>Total Liabilities</b>	<b>2,721.5</b>	<b>2,663.6</b>	<b>2,397.8</b>
<b>Shareholders' Equity (Deficit)</b>			
Common stock	0.8	0.8	0.8
Paid in capital	432.1	433.0	432.6
Accumulated deficit	(157.9)	(115.7)	(201.8)
Treasury stock, at cost	(135.9)	(137.0)	(136.4)
Accumulated other comprehensive income (loss)	(309.7)	(403.3)	(169.5)
<b>Total Shareholders' Deficit</b>	<b>(170.6)</b>	<b>(222.2)</b>	<b>(74.3)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 2,550.9</b>	<b>\$ 2,441.4</b>	<b>\$ 2,323.5</b>

The Notes to Combined Financial Statements are an integral part of these statements.